Vote No. 122

June 25, 1997, 1:20 pm Page S-6304 Temp. Record

BALANCED BUDGET ACT/Private FFS Billing

SUBJECT: Balanced Budget Act of 1997 ... S. 947. Domenici motion to waive the Budget Act for the consideration of section 5001.

ACTION: MOTION AGREED TO, 62-37

SYNOPSIS: As reported, S. 947, the Balanced Budget Act of 1997, will make net mandatory spending reductions to achieve the savings necessary to balance the budget by 2002 and to provide the American people with tax relief. This bill is the first reconciliation bill that is required by H.Con. Res. 84, the Budget Resolution for fiscal year (FY) 1998 (see vote No. 92). The second bill will provide tax relief (see vote No. 160).

Section 5001 will enact the Medicare Choice Program, which will allow Medicare beneficiaries to remain within the traditional Medicare fee-for-service (FFS) program or limited health maintainance (HMO) program, or instead to select one of numerous other options that will be offered for receiving health care. One option they will be allowed to choose will be private fee-for-service (FFS) Medicare plans that offer more and better services but that will not have caps on the prices of those services. Beneficiaries who choose such plans will pay the difference between the prices charged and the prices that the Government will pay for particular Medicare services (the Government determines the maximum prices that it will pay for various services). Charging more than the Federal Government will pay and billing the patient for the difference is called "balance billing." Under current law, the maximum allowed difference is 15 percent. This limit will not apply to private FFS Medicare Choice plans or Medical Savings Accounts (MSAs; this bill will allow 100,000 beneficiaries to enter into MSAs).

Senator Rockefeller raised the point of order that section 5001 violated the Budget Act due to the provisions allowing balance billing in private FFS Medicare Choice plans. Senator Domenici then moved to waive the Budget Act for the consideration of section 5001. All debate time had expired, but some debate was permitted by uanimous consent. Generally, those favoring the motion to waive favored the section; those opposing the motion to waive opposed the section.

NOTE: A three-fifths majority (60) vote is required to waive the Budget Act.

(See other side)

| YEAS (62) | | | NAYS (37) | | | NOT VOTING (1) | |
|---|---|---|-----------------------|---|---|--|---|
| Republicans (54 or 100%) | | Democrats (8 or 18%) | Republicans (0 or 0%) | Democrats (37 or 82%) | | Republicans (1) | Democrats (0) |
| Abraham Allard Ashcroft Bennett Bond Brownback Burns Campbell Chafee Coats Cochran Collins Coverdell Craig D'Amato DeWine Domenici Enzi Faircloth Frist Gorton Gramm Grams Grassley Gregg Hagel Helms | Hutchinson Hutchison Inhofe Jeffords Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob Smith, Gordon Snowe Specter Stevens Thomas Thompson Thurmond Warner | Biden Bingaman Breaux Feinstein Kerrey Landrieu Moynihan Torricelli | | Akaka Baucus Boxer Bryan Bumpers Byrd Cleland Conrad Daschle Dodd Dorgan Durbin Feingold Ford Glenn Graham Harkin Hollings Inouye | Johnson Kennedy Kerry Kohl Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Murray Reed Reid Robb Rockefeller Sarbanes Wellstone Wyden | EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired | ily Absent inced Yea inced Nay Yea |

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Those favoring the motion to waive contended:

Federal Government price caps on medical services just make those services more expensive and less efficient for the Government, for providers, and for beneficiaries. Our colleagues do not believe that price caps have this effect; despite the abject failure of socialism this century, they still cannot let go of their conviction that any government can run an economy better than any bunch of ordinary private citizens can. We, however, have much more faith in the ability of private citizens to act in their own best interests; all they need is to be given the freedom to make their own economic choices. Right now, Medicare beneficiaries are essentially limited to enrolling in the heavily bureacratized FFS program, in which reams of regulations control the prices for various medical services. In this bill, we will greatly expand beneficiaries' options. If they are happy with all of the decisions that legions of Federal bureacrats have made for them on what services they can get and at what prices, then they will be allowed to stay in the current system. If they would rather join a private FFS plan, or start a medical savings account (MSA), they will not have to stick with the Federal price controls. No one is being taken advantage of under this proposal--all that the bill will do is open the Federal cage and anyone who wants to leave the confines of the current system will be free to depart, and anyone who is happy having their lives run for them by the Government will be welcome to stay. Our colleagues say that it is too dangerous to let senior citizens make choices for themselves; they want to slam the door shut on their options. Our colleagues mean well, but their proposal would block the improvements that would come to Medicare if only ordinary Americans were left alone to act in their own best interests. We trust and believe in the American people, and thus urge our colleagues to vote in favor of the motion to waive the Budget Act.

Those opposing the motion to waive contended:

If the motion to waive is accepted private FFS Medicare Choice programs are going to be able to charge helpless senior citizens whatever they want. Under current law, the most that can be charged a beneficiary for any particular service is limited to 15 percent of the amount that Medicare will pay for that service. Thus, if Medicare pays only \$1,000 for a given service, the health care provider may not charge more than \$1,150, with the patient being responsible for the \$150. This bill, though, will create programs in which a senior citizen may be charged twice as much or more as the Federal Government will pay for a service. Passing this provision will take a big step backwards. In 1989, Congress put the 15-percent balance billing cap in place, and it has saved Medicare beneficiaries \$2 billion to date. We urge our colleagues not to abandon this reform.